

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 25, 2006

In Reply Refer To:
City and County of San Francisco
Docket No. EL05-133-000

Jacqueline Minor, Esq.
Deputy City Attorney
San Francisco City Attorney's Office
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
Room 375
San Francisco, CA 94102

Dear Ms. Minor:

1. On April 6, 2006, you filed on behalf of the City and County of San Francisco (San Francisco) an offer of settlement (settlement) in the above referenced docket. The settlement resolves all issues between San Francisco and Pacific Gas and Electric Company (PG&E) pending in this proceeding, which concerns a billing dispute between San Francisco and PG&E. Comments were due on or before April 13, 2006. None was filed.

2. The settlement is fair and reasonable and in the public interest, and is hereby approved. The Commission's acceptance of the settlement does not constitute acceptance of, or precedent regarding, any principle or issue in this proceeding.

3. This letter order terminates Docket No. EL05-133-000.

By direction of the Commission. Commissioner Kelly dissenting in part with a separate statement attached.

Magalie R. Salas,
Secretary.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

City and County of San Francisco

EL05-133-000

v.

Pacific Gas and Electric Company

(Issued April 25, 2006)

KELLY, Commissioner, *dissenting in part*:

For the reasons I have previously set forth in *Wisconsin Power & Light Co.*, 106 FERC ¶ 61,112 (2004), I do not believe that the Commission should depart from its precedent of not approving settlement provisions that preclude the Commission, acting *sua sponte* on behalf of a non-party, or pursuant to a complaint by a non-party, from investigating rates, terms and conditions under the “just and reasonable” standard of section 206 of the Federal Power Act at such times and under such circumstances as the Commission deems appropriate.

Therefore, I disagree with this order to the extent it accepts for filing a settlement with an explanatory statement that provides, in relevant part: “It is the Parties’ intention that the Settlement can not be changed unless required by the public interest.”

Sudeen G. Kelly